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JAMES. H. McKENNEY.

Supreme Court of the United States.

No. 7 Original, October Term, 1893.

Ex parte: IN THE MATTER OF FRIEDRICH HOHORST, *Petitioner.*

On petition for a Writ of Mandamus.

RETURN AND BRIEF

AGAINST THE PETITION AND IN BEHALF OF THE "HAMBURG-AMERICAN PACKET COMPANY," A CORPORATION.

WALTER D. EDMONDS,
Counsel for the Corporation.

NEW YORK:
DOUGLAS TAYLOR & CO., LAW PRINTERS, 8 WARREN STREET.
1893

Supreme Court of the United States,

No. 21 ORIGINAL.

OCTOBER TERM, 1893.

Ex parte: IN THE MATTER OF FRIEDRICH HOHORST, Petitioner. } Return.

The undersigned William J. Wallace and E. Henry Lacombe, United States Circuit Judges for the Southern District of New York, acknowledge service upon them of a rule to show cause why a writ of mandamus should not be granted commanding them to take jurisdiction and proceed against the Hamburg-American Packet Company in the suit now pending and undetermined in the Circuit Court of the United States for the Southern District of New York wherein Freidrich Hohorst, the petitioner herein, is complainant and the said Hamburg-American Packet Company was a defendant, and Henry R. Kunhardt, Sr., Henry R. Kunhardt, Jr., George H. Diehl, Arend Behrens and William Koster are still defendants, and to strike from the record the order made in said suit bearing date April 11, 1889, whereby the general appearance of said defendant corporation, the Hamburg-American Packet Company, was amended to a special appearance, and whereby the service of *subpœna ad respondendum* upon said defendant corporotion was set aside and quashed, and whereby said bill of complaint was dismissed, and commanding them to make such disposition of said suit as ought to have been made had the order not been made and entered in said suit.

And therefore these respondents show cause as follows:

1. Said petitioner filed a bill in said Circuit Court in which the jurisdictional clause was as follows: "Friedrich "Hohorst, of New York City, and a citizen of the State of "New York, brings this his bill of complaint against the "Hamburg-American Packet Company, a corporation or- "ganized and existing under the laws of the Kingdom of Han- "over, Empire of Germany, and doing business in the City of "New York, Henry R. Kunhart, Sr., Henry R. Kunhart, Jr., "George H. Diehl, citizens of the United States and resi- "dents of the State of New York, and Arend Behrens and "William Koester, citizens of the United States, and resi- "dents of the State of New Jersey." The cause of action set

forth in said bill was infringement of Letters Patent for improvement in slings for packages, and the infringement clause in said bill was as follows:

"And your orator further shows unto your Honors that "the defendants have made and used and allowed others to "use, at divers times continuously during several years last "past, at the City, County and State of New York and elsewhere, slings for packages embracing and containing said "patented invention and improvement." The said bill neither contained any allegation of joint infringement by the defendants nor of any relation or connection between them.

2. Original process founded upon the aforesaid jurisdictional clause issued, directed to said Hamburg-American Packet Company and the other defendants mentioned, and was returned served within the Southern District of New York upon the Hamburg-American Packet Company "by "exhibiting to Henry R. Kunhardt, Sr., general agent for "said Company," the original subpœna, and leaving with him a copy.

3. The Hamburg-American Packet Company and the other defendants at first appeared generally in said suit, and said Company filed a separate demurrer for multifariousness and for the further cause that the said Circuit Court had no jurisdiction of said defendant corporation, for the purpose of entertaining and conducting said suit against it.

4. That after the filing of said demurrer the petitioner herein moved for an order allowing him to file an amended bill on the ground that his solicitor "intended to draw the "bill so that it should clearly set forth that the infringements referred to herein were committed by the defendants "jointly, and that the defendants were also inhabitants, "under the meaning of the Statute, of the City and County "of New York," that he still believed and maintained that the bill was sufficient, but desired to make the amendment "so as to settle all possible questions."

Thereupon this respondent, E. Henry Lacombe, made, on the 11th day of January, 1889, an order allowing the complainant to file an amended bill, charging joint infringement by the defendants, and containing the following additional allegations, viz.:

"Your orator further states that all of the defendants "above named are inhabitants of the City and County of "New York; that the defendant, the Hamburg-American "Packet Company, has its principal business office in this "country, located in the City and County of New York;

"that the defendants, Henry R. Kunhardt, Sr., Henry R. "Kunhardt, Jr., George H. Diehl, Arend Behrens and Will- "iam Koester, are, and during the time of the infringement "above set forth were co-partners, under the firm name of "Kunhardt and Company, and as such co-partners are and "were the agents and managers of the business of the Ham- "burg-American Packet Company in this country, and have "their principal business office as such located in the City "and County of New York, and that the said infringements "were committed in the prosecution of such business, and "all the defendants have co-operated and participated in all "the said acts and infringements."

And the said order further directed that the said petitioner should have leave within five days from the entry thereof to file, *nunc pro tunc* as of the date of filing his original bill, his said amended bill, and that the defendants have leave to answer, demur, or plead to said bill as amended on or before the first Monday of March, 1889.

At the same time at which was made the said order of January 11th, 1889, permitting the said petitioner to amend his bill, a motion simultaneously made, before this respondent, E. Henry Lacombe, to dismiss this bill for lack of jurisdiction was, after hearing both parties, denied, and, on motion of the solicitors for the said petitioner, an order in the following words was granted by this respondent, and entered January 31, 1889:

"At a Term of the United States Circuit Court,
"for the Southern District of New York, held
"at the United States Court and Post Office
"building, in the City of New York, on the
"11th day of January, 1889.

"Present:—Hon. E. HENRY LACOMBE,
"*Circuit Judge.*

"FRIEDRICH HOHORST,
Complainant,
against
"THE HAMBURG-AMERICAN PACKET COM- "PANY, Henry R. Kunhardt, Sr., Henry "R. Kunhardt, Jr., George H. Diehl, "Arend Behrens, and William Koester,
Defendants.

"Motion having been made herein on behalf of the defend- "ants, THE HAMBURG-AMERICAN PACKET COMPANY, Henry R. "Kunhardt, Jr., George H. Diehl, Arend Behrens and Will-

"iam Koester, that the bill of complaint be dismissed as "against the said defendants for lack of jurisdiction;

"Now, on reading and filing the affidavit of Walter D. "Edmonds, verified the 7th day of January, 1889, and a "notice of motion, dated the 7th day of January, 1889, "and the papers named therein, after hearing Walter D. "Edmonds, Esq., on behalf of the said defendants, in sup- "port of said motion, and Salter S. Clark, in opposition "thereto, and on motion of Logan & Clark, complainant's "solicitors, it is hereby

"Ordered, that the said motion to dismiss the bill of com- "plaint, be and the same is hereby denied, but without pre- "judice to any subsequent demurrer, plea, answer or "motion to dismiss, because of lack of jurisdiction.

"E. HENRY LACOMBE."

A stipulation in said suit was also made in the following words:

"United States Circuit Court, Southern District of New York.

"FREDERICK HOHORST
"*agst.*
"HAMBURG AMERICAN PACKET COMPANY *et al.*

"It is hereby stipulated and consented by and between the "respective parties in the above-entitled cause that the defend- "ants shall have until the 15th day of April, 1889, in which "to plead, answer, demur or make such motion as they or "any of them shall be advised, and that a rule to that effect "may be entered at any time without further notice.

"Dated New York, Feb. 25, 1889.

"LOGAN & CLARK,
"*Solicitors for Complainant.*
"WALTER D. EDMONDS,
"*Solicitor for Defendants.*"

5. Afterwards, on notice of motion dated February 21st, 1889, and returnable on the 1st day of March, 1889, on affidavits specified in said notice and on all the papers, pleadings and proceedings had in said suit, application was made on behalf of the said defendant corporation for leave to amend its general notice of appearance in said suit, *nunc pro tunc*, by inserting therein these words: "And you will "please take notice that the said appearance of the defend- "ant Hamburg-American Packet Company herein is not "made generally, but specially, and for the specific and "only purpose of moving to set aside the alleged service of "*subpœna ad respondendum* upon it through its alleged

" agent Henry R. Kunhardt, Sr., and to dismiss the bill of " complaint as against it because of lack of jurisdiction, and " for the purpose of procuring the dismissal of said bill against " it for lack of jurisdiction, by motion, demurrer, or plea " as it shall be advised," and also for an order directing that the service of the said *subpœna ad respondendum* in said suit made upon the said defendant corporation be set aside, &c., because of lack of jurisdiction of said Circuit Court over the person of said defendant. After argument and deliberation the respondent, E. Henry Lacombe, granted the said application and made the said order bearing date April 11th, 1889, whereby the said general appearance of the defendant corporation was amended to a special appearance, and the service of process upon the Hamburg-American Packet Company by service of subpœna in the Southern District of New York upon Henry Kunhardt, Sr., General Agent, was set aside.

6. This respondent, E. Henry Lacombe, made the last mentioned order upon the following grounds, viz.:

1. That upon the facts as presented to this respondent, E. Henry Lacombe, by all the pleadings, papers and other proceedings had in said suit, certain of which are made a part of the petition upon which the said bill to show cause is granted, it was made to appear to his satisfaction, and he accordingly found, that the defendant corporation had originally made a general, instead of a special, appearance in said suit, in consequence of justifiable mistake on its part as to the real nature of said suit; that said mistake was occasioned by said petitioner's own acts, to wit: the original allegations of his bill prior to amendment, that said corporation defendant had not waived the consequences of said mistake, and that therefore said corporation was, in the discretion of this respondent, equitably entitled to an amendment of its said general into a special appearance, *nunc pro tunc*, unless said petitioner on his part should abide by and consent to go to trial upon said original allegations without amendment.

2. That upon the facts as presented to this respondent, E. Henry Lacombe, by the affidavits and all other papers, pleadings and proceedings had in said suit, as more fully set forth in the Record referred to in said petition, that the defendant, Hamburg-American Packet Company is a corporation organized and existing under the Laws of the Kingdom of Hanover, Empire of Germany, and is not, and was not, an inhabitant of the Southern District of New York at the time of the service ot said subpoena upon said Henry Kunhardt, Sr., within said district.

3. That upon the facts as presented to said respondent by the affidavits and all other papers, pleadings and proceedings had in said suit, as more fully set forth in said Record, it does not appear that the said Henry Kunhardt, Sr., was, at any time, the general agent of the said corporation defendant or such an agent as that service upon him of subpœna in said suit was sufficient to confer jurisdiction over said corporation defendant.

Dated Oct. 16, 1893.

WM. J. WALLACE,
E. HENRY LACOMBE.

Supreme Court of the United States,

No. 21 Original,

October Term, 1893.

Ex parte: In the Matter of
Freidrich Hohorst,
Petitioner.

On Petition for a Writ of Mandamus.

Brief against the petition for Mandamus, and in behalf of the Hamburg-American Packet Company.

FACTS.

This is an application for a mandamus to compel the Judges of the Circuit Court of the United States for the Southern District of New York to strike an order from the records of that Court, and commanding them thereupon to make "such dis- "position of the suit as ought to have been made "had said order not been entered" (Pet., p. 7–8).*

The order complained of was entered in a suit in said Court, in which the petitioner, Freidrich

* Note.—In this brief "Pet." refers to the Petition herein, "Ap. Rec." to the Record on Petitioner's former appeal to this Court incorporated in the Petition, "Ret" refers to the Return herein, "p." refers to page.

Hohorst, was complainant and the Hamburg-American Packet Company and others were defendants, brought only twenty-three days prior to the expiration of a patent, to recover for its infringement. The bill, while averring that said defendant was a corporation organized and existing under the laws of the Kingdom of Hanover, omitted to state either that it was an "inhabitant," or resident of said district, or that the infringement had been jointly committed by the defendants. In view of this bill, said defendant was willing to appear generally and test the jurisdiction of the Court by a demurrer, and its counsel "relying upon the aver- "ments of the bill of complaint and its specific alle- "gations and admissions," acted accordingly (Ap. Rec., p. 31–32).

The patent in suit was one for "improvement in slings for packages," No. 119,765, copies of the specifications and drawings of which are annexed to this brief. The defendant's demurrer was filed December 18, 1888. Thereafter complainant moved to amend his bill by inserting an averment of joint infringement, and of inhabitancy of the City and County of New York, by all the defendants (Ap. Rec., p. 17–21). By order filed January 31, 1889, this amendment was permitted with leave to defendants to answer, demur or plead to the new bill before the first Monday of March, 1889.

Simultaneously with complainant's motion to amend was made and heard, a motion by defendant to dismiss the bill for lack of jurisdiction. But this was, it seems, denied by order dated January 11th, 1889, entered on motion of complainant's solicitors, and which, however, expressly provided that such denial should be "without "prejudice to any subsequent demurrer, plea,

"answer *or motion to dismiss because of lack of "jurisdiction"* (Return, pp. 3, 4). On February 25th, 1889, it was also stipulated by the same solicitors that defendants should have until April 15, 1889, in which to make such motion as they or any of them should be advised" (Ret., p. 4).

Accordingly, on notice dated February 21 and returnable on March 1st, 1889, defendant afterwards moved for leave to amend its general into a special appearance, and for an order directing the service of subpœna on it through Henry R. Kunhardt, Sr., to be set aside because of lack of jurisdiction of said Court over the person of defendant corporation.

Thereupon the Court made a preliminary order providing that, unless, within five days after entry and service of a copy thereof, complainant should file and serve a stipulation withdrawing his said amended complaint as to defendant corporation and stipulate to go to trial on the original bill, defendant's motion to amend its appearance and set aside service upon it should be granted (Ap. Rec., pp. 51–53).

After which, on proof of complainants, failure to avail himself of the terms so offered, the order now sought to be stricken from the record by mandamus was, on April 11, 1889, duly entered (Ap. Rec., p. 53).

From this last order the petitioner appealed to this Court, and that appeal was dismissed (Hohorst *vs.* Hamburg-American Packet Co., 148 U. S., 262). The petitioner's next move is the present application.

POINT FIRST.

The mandamus should be withheld because useless in the form requested.

The Petitioner prays that *the order bearing date April 11, 1889*, shall be stricken from the record and the Judges of the Circuit Court commanded thereupon to make such disposition of said suit as ought to have been made had the *said* order not been made and entered therein" (Pet. p. 7, 8).

This prayer, if granted, would leave in full force and effect the order of the Circuit Court, entered on the 5th day of April, 1889, and which prescribes the contingencies and terms upon which an order like that complained of may be entered, and the mandamus requested would merely result in a repetition of the present situation and aspect of the cause. The order of April 5th is not assailed; it was plainly discretionary, and granted an amendment of defendant's general into a special appearance on what were, considering the circumstances, but fair and equitable terms. The Judges of the Circuit Court and the defendant corporation are entitled to notice of any application concerning that order.

POINT SECOND.

The mandamus should be refused, because of unreasonable delay in applying therefor.

The order complained of was entered April 11, 1889. The petition herein is dated April 25th,

1893. (Short on Informations, *250, 6. 2 Crary Special Proceedings, 62.)

The fact that petitioner mistook his remedy and delayed the present application because of misplaced faith in the propriety of an ill-founded appeal, affords no valid excuse for the delay. Not only has the petitioner put the defendant corporation to the heavy expense of contesting his ill-advised appeal, but has by his delay rendered it presumably more difficult to establish defenses against the patent. The relief now sought is wholly discretionary with this Court (2 Crary's Special Proceedings, 82). Such discretion should not be exercised in favor of litigants whose errors have proved costly and disadvantageous to their opponents.

POINT THIRD.

The order of April 11, complained of, so far as it amended the general into a special appearance cannot be stricken out through mandamus.

The order was dual. It not only set aside service of the subpœna *ad res.*, but it also, as a necessary preliminary, amended the notice of appearance. So far as it did the latter, the order was discretionary, and cannot properly be stricken out by resort to mandamus, which, however appropriate to compel, is wholly improper to control, the exercise of discretion. (2 Crary Sp. Pr., 52.)

Nor should mandamus be granted to vacate a rule granting an amendment, in any case within the favor of the Court. (Priest *vs.* Cummings,

16 Wendl, 617; People *vs.* Judges, 20 Wendl, 658.)

It is settled that a Court of original jurisdiction has power, in its discretion, to amend even after plea, a defendant's notice of appearance, and also to strike it out. So held by this Court sitting as a Court of original jurisdiction in a suit between States presenting circumstances equivalent to those at bar.

State of Rhode Island *vs.* State of Mass., 13 Pet., 23.

See also, enunciating the same principle:

U. S. *vs.* Yates, 6 How., 605, 608.
Danner vs. Adams, 13 Ill., 691.
Michew *vs.* M'Coy, 3 Watts. & Sarg., 501.
Large *vs.* State Bank, 6 Black., 557.

The exercise of this power of amendment over notices of appearance is common practice, as illustrated, for instance, in Shaw *vs.* Quincy Mining Co., 145 U. S., 444, where general appearance of a defendant corporation was amended into special appearance for the purpose of enabling it to move to dismiss because of non-jurisdiction (see pages 9 and 10 of the Record in this Court of said last-mentioned cause).

Besides: the obligation of a general appearance has always been strictly limited to cases in which it has been followed by "pleading *on the merits.*"

St. Louis Ry. Co. *vs.* McBride, 141 U. S., 131.
Toland *vs.* Sprague, 12 Peters, 300, 330.
Pollard *vs.* Dwight, 4 Cranch, 421.

Charlotte Natl. Bank *vs.* Morgon, 132 U. S., 141.
Fitzgerald Construction Co. *vs.* Fitzgerald, 137 U. S., 98.
Gracey vs. Palmer, 8 Wheaton, 699.

But consideration of this last distinction is scarcely necessary here since defendant corporation has no pleading in the case at bar, because petitioner, by procuring allowance of an amended, in the lieu of his original bill, has thereby reduced defendants demurrer to a mere nullity.

Nor was there any abuse of discretion herein in indulging defendant corporation by this amendment of its general into a special appearance. Under the circumstances presented by the record such indulgence was abundantly justified by the precedent established in State of Rhode Island *vs.* State of Mass., *ante.* There this Court permitted the complainant to amend its bill, and thereupon, upon motion of counsel for defendant, leave was granted latter to withdraw its plea and not only to amend, but indeed to strike out its appearance in the suit.

By the return herein it is certified to this Court that it was made to appear to the satisfaction of the Circuit Judge and he accordingly found, as matter of fact:

> "That the defendant corporation had originally made a "general instead of a special appearance in consequence of "justifiable mistake occasioned by petitioner's own acts," to wit, the original allegations of his bill prior to amend ment, and that "said defendant had not waived the conse- "quences of said mistake" (Ret., p. 5).

In view of the allegations and omissions of the bill defendant was justified in appearing generally and demurring to the jurisdiction. Complainant gave the most conclusive endorsement of the force

of the demurrer by his appeal to the indulgence of the Court for leave to amend his bill. In view of the fact that defendant's simultaneous motion to dismiss the bill for lack of jurisdiction was on motion of petitioner's own solicitor denied, but expressly without prejudice "to any subsequent motion to dismiss because of lack of jurisdiction," and that the right to make such a motion as it should be advised was reserved to the defendant until April 15, 1889, by stipulation (Ret. p. 4), and that defendant's successful motion to amend was made March 1st, 1889, both motions to amend being thus practically consolidated and interdependent, it was, in view of all these considerations, no more than the exercise of sound and equitable discretion to extend to both parties the same measure of indulgence, the net result being that the amendments were both substantially conditioned upon interdependent and equable terms; that to the bill on complainant's accepting that to the appearance, that to the appearance on defendant's accepting that to the bill—the Court refusing to amend the notice of appearance provided complainant would withdraw his amended and stand on his original bill. (Ap. Rec., 51.)

Neither the filing of the demurrer to the bill, nor notice of argument thereof constitute, under the peculiar circumstances of this case, any waiver of the defendant corporation's objection to the jurisdiction; for the reason, among others, that the petitioner's amendment of his bill extinguished the demurrer. The latter is, and was, at the time of amendment of the general appearance, as much out of the case, as though it never had been filed. With the demurrer disappeared the waiver which petitioner pretends "was accomplished by it."

The same is true of the Notice of final hearing on demurrer, served after amendment of the bill. At the time of such service there was no demurrer to whose hearing the notice could apply. The bill demurred to having been withdrawn, no hearing could be had of a demurrer thereto. Any notice of such hearing was therefore a mere nullity.

POINT FOURTH.

Under Section 1 of Act of Congress of March 3, 1887, Chapter 373, as corrected by the act of August 13, 1888, Chapter 866 (24 Stats., 352; 25 Stats., 433), defendant, a European corporation, was not, on the cause of action set up in the complaint, subject to the jurisdiction of the Circuit Court.

The section in question is as follows:

> "That the Circuit Courts of the United States shall have "original cognizance, concurrent with the Courts of the "several States, of all suits of a civil nature, at common "law or in equity, when the matter in dispute exceeds, ex- "clusive of interest and costs, the sum or value of two thou- "sand dollars, and arising under the Constitution or Laws of "the United States, or treaties made, or which shall be made, "under their authority, or in which controversy the United "States are plaintiffs or petitioners; or in which there shall "be a controversy between citizens of different States, in "which the matter in dispute exceeds, exclusive of interest "and costs, the sum or value aforesaid, or a controversy be- "tween citizens of the same State claiming lands under "grants of different States, or a controversy between citizens "of a State and foreign States, citizens or subjects, in which

"the matter in dispute exceeds, exclusive of interest and "costs, the sum or value aforesaid, and shall have exclusive "cognizance of all crimes and offenses cognizable under the "authority of the United States, except as otherwise pro- "vided by law, and concurrent jurisdiction with the district "courts of the crimes and offenses cognizable by them. But "no person shall be arrested in one district for trial in another "in any civil action before a circuit or district court, and "*no civil suit shall be brought before either of said courts* "*against any person by any original process or proceeding in* "*any other district than that whereof he is an inhabitant;* but, "where the jurisdiction is founded only on the fact that the "action is between citizens of different States, suit shall be "brought only in the district of the residence of either the "plaintiff or the defendant; nor shall any circuit or district "court have cognizance of any suit, except upon foreign "bills of exchange, to recover the contents of any promis- "sory note or other chose in action in favor of any assignee, "or of any subsequent holder, if such instrument be payable "to bearer, and be not made by any corporation, unless such "suit might have been prosecuted in such court to recover "the said contents if no assignment or transfer had been "made; and the circuit courts shall also have appellate juris- "diction from the district courts under the regulations and "restrictions prescribed by law."

The language of this act, the proceedings attending its passage, and the decisions of this Court, fix, with certainty, that Congress enacted it with intent to contract the jurisdiction of the Federal Courts.

Smith *vs.* Lyon, 133 U. S., 319.

In re Louisville Underwriters, 134 U. S., 488.

The expressed object of the bill (H. R., 241), which finally resulted in this act, was to amend §§ 1, 2, 3 and 10 of the Act of March 3, 1875. As this bill passed the House of Representatives, its amendment of Sec. 1 of said Act of 1875 provided, *inter alia*, that

"No civil suit shall be brought against any person * * * "in any other district than that whereof he is an inhabitant,

> " *or in which he shall be found at the time of serving process,* " *etc.*"

Its amendment of Sec. 3 of said Act of 1875 provided that

> " The Circuit Court * * * shall not take original cog-
> " nizance of any suit of a civil nature * * * between a
> " corporation created or organized by or under the laws of
> " any State and a citizen of any State in which such corpora-
> " tion at the time the cause of action accrued may have been
> " carrying on any business authorized by the law creating it,
> " *except in cases arising under the patent or copyright laws.*"
> " * * *

(Cong. Record, 49th Congress, 2d Sess., Vol. 18, Part 1, p. 612.)

The Committee on the Judiciary reported the bill to the Senate with amendments (Cong. Record, 49th Con., 2d Sess., Vol. 18, Part III., p. 2542). One amendment was to strike out the above words, "or in which he shall be found at the time of serving process," etc.; another of said amendments was to strike out the entire clause partly quoted above as amendatory of Sec. 3 of said Act of 1875. The Senate adopted the amendments so reported. The House disagreed thereto. A Conference Committee, to which the disagreement between the Houses was referred, reported to each in favor of adopting the Senate amendments and the act thereupon became a law accordingly (Cong. Rec., p. 2651).

The original Judiciary Act of September 24, 1789, provided in this regard, that

> " No civil suit shall be brought against *an inhabitant of the*
> " *United States* by any original process in any other district
> " than that whereof he is an inhabitant," etc.

The same language was retained in Sec. 739 of the Revised Statutes. But the said Act of March 3, 1875, substituted for the above words, "an

inhabitant of the United States," the words "*any person.*"

And this modification was retained in the act in question.

From these facts it seems clear that Congress intended to strictly limit the jurisdiction to cases in which the defendant, irrespective of the question whether he was an inhabitant of the United States or not, was an actual inhabitant of, as distinguished from being "found" in the district in which suit was brought, and this, without exception of cases arising under the patent laws.

The restriction thus created, did not, however, extend to the majority of cases, *i. e.*, those where the jurisdiction is founded only on the fact that the action is between citizens of different States. In these the suit could still be brought, as heretofore, in either the district of the plaintiff's or defendant's residence.

It is believed to be authoritatively and finally settled, both by common law and by the repeated adjudications of this Court, that no corporation can be an "inhabitant" of any district which does not lie within the geographical limits of the State or country under the laws of which the corporation was organized.

Shaw *vs.* Quincy Mining Co., 145 U. S., 444.

It follows, therefore, as a logical and inevitable consequence, from the language of the act, as so interpreted, that, in this suit in which, on the face of the bill, the jurisdiction is altogether founded on a fact other than that the action is between citizens of different States, viz., the fact of patent infringe-

ment, the defendant, alleged to be incorporated under the laws of the Kingdom of Hanover, is within the exception of the act, and not subject to the jurisdiction.

The act as it reads on its face is free from ambiguity or uncertainty. It expresses as clearly as is within the power of language the simple idea that "*no* suit" shall be brought against "*any* person" in *any* district except such as he inhabits. His inhabitancy in a district is an essential prerequisite to jurisdiction over *any* person. Non-inhabitants of districts are, therefore, completely exempted from any suits in those districts. In a suit commenced in any district, the fact that the defendant is not an inhabitant of that district is, as soon as properly presented to the Court, fatal to the jurisdiction. It is immaterial and outside of the province or power of the Court to inquire what other districts the defendant inhabits, or whether he inhabits any district at all. Proven that the defendant does not inhabit the district of suit, and the facts on which depend the exclusion of the jurisdiction are complete.

Whatever may be *surmised* as to what were, or should have been the actual intentions of Congress, its language has, by itself, as contained in the act, a complete and definite meaning, involving no absurdity, nor any contradiction of, but rather complete accord with, the origin and other parts of this restrictive statute.

That this meaning here contended for is not only the obvious one, but that which meets the approval of judicial criticism, is apparent from the following language of Deady, J., in interpreting this section:

"It is not probable that Congress intended te give a cor-

> " poration, the subject of a foreign State, engaged in business,
> " with a local habitation in the United States, the option of
> " suing a citizen of the United States in a national court, and
> " to deny such citizen having a controversy with or a demand
> " against such foreign subject engaged in business in the
> " United States, the corresponding privilege.
>
> " And, yet, if a corporation, the subject of a foreign State,
> " cannot become an inhabitant of this district, because it can-
> " not migrate here and become a citizen of the State, *such*
> " *result will follow.*"
>
> Miller *vs.* Mining Co., 45 F. R., 345.

No controversy arises here as to the meaning or interpretation of any special words, as did respecting the words " civil suit " in the admiralty cases of Atkin *vs.* The Disintegrating Co., 18 Wall., 272, and Louisville Underwriters, 134 U. S., 488. For the purposes of applying the act to the case at bar, each word must be taken as already construed by this Court, or in its usual English significance.

No rule is better established, is more important to the community, or has been more forcibly expressed and applied by this Court than that, under such circumstances, this Act of Congress shall be construed to mean no more nor less than it has plainly expressed.

> " Words are the common signs that mankind make use of
> " to declare their intention to one another; and, when the
> " words of a man express his meaning plainly, distinctly and
> " perfectly, we have no occasion to have recourse to any
> " other means of interpretation. * * *
>
> " If it was a mistaken scheme, if its operation has proved
> " or shall prove to be more inconvenient than beneficial, the
> " remedy is with the people, not with the courts. * * *
> " Nor are we justified in resorting to strained construction
> " or astute interpretation to avoid the intention of the
> " framers of the Constitution, or the Statutes adopted under
> " it, even to relieve against individual or local hardships.
> " If unwise or hard in their operation, the power that adopted
> " can repeal or amend and remove the inconvenience. The
> " power to do so has been wisely withheld from the courts,

"their functions only being to enforce the laws as they find "them enacted."

Lake Co. *vs.* Rollins, 130 U. S., 662, 671–673.

It is likewise well settled that it was within the power and solely within the discretion of Congress to lawfully enact, if so advised such limitation upon the jurisdiction of the Circuit Courts as would wholly exempt alien corporations from their process.

"The doctrine so often ruled in this Court that the judicial "power of the United States, although it has its origin in "the Constitution * * * is dependent for its distribution "and organization, and for the modes of its exercise, entirely "upon the action of Congress, who possess the sole power of "creating the tribunals (inferior to the Supreme Court) for "the exercise of the judicial power of investing them with "jurisdiction * * * and of withholdiug jurisdiction "from them in the exact degrees and character which to Con- "gress may seem proper for the public good. To deny this "position would be to elevate the judicial over the legislative "branch of the Government, and to give to the former "powers limited by its own discretion merely * * * The "Courts of the United States are all limited in their nature "and constitution, and have not the powers inherent in "courts existing by prescription or by the common law."

Cary *vs.* Curtis, 3 Howard, 236–245.

It has been contended in this case that "it is not "at all unreasonable to say that some such phrase "as 'an inhabitant of the United States' is to be "*understood* after 'person'" in the section in question (petitioner's brief on application for rule, p. 5). Undoubtedly petitioner's case depends upon such addition to the unambiguous present language of the act, but clearly this sort of judicial amendment is prohibited by precedent, and, besides, this very phrase, formerly so incorporated, and for more than three-quarters of a century retained in

the organic Judiciary Act of September 24, 1789, was deliberately expunged by Act of Congress of March 3d, 1875, Chapter 131, and the present words "*any* person" substituted therefor and retained in the present act, thereby affording high evidence that Congress intended the restriction to apply, not only to inhabitants of the United States, but also to "*any person*," thus necessarily including aliens.

The apprehended evil results of construing this statute to mean what it plainly says are not nearly so great as appellant contends. Natural persons, though aliens, can readily acquire constructive residence and become "inhabitants" of districts. All aliens, including corporations, notwithstanding the act, still remain within the jurisdiction in admiralty. (*In re* Louisville Underwriters, 134 U. S., 488.)

The remedies against aliens continue as perfect as against citizens in all that numerous class of cases constituting the great mass of litigation in which jurisdiction is founded only on the fact that the action is between citizens of different States and the matter in dispute is of the statutory value.

It seems that no abridgment of the former jurisdiction over aliens would follow except in suits between aliens, and possibly in copyright and patent cases, while, in these even, it seems that jurisdiction might be held to attach in all cases of patent infringement in which the bill sufficiently alleges the requisite diversity of citizenship, and that the damages exceed $2,000.

Assuming, however, that the literal meaning of the act abrogates the jurisdiction over alien corporations in cases arising under the patent laws

in which the bill fails to disclose any other grounds of jurisdiction, nevertheless, patentees would have abundant remedy by suit against the inhabitant agents of such corporation, without whose acts infringement could not be committed by the alien within the territory of the United States. Such agents would be liable to injunction, and also to respond in damages, and thus complete remedy afforded to the patentee for both the past and the future. If it be urged that the patentee may prefer as a defendant a solvent corporation to an insolvent agent, it may justly be answered that a diligent enforcement of the patentee's rights by injunction would prevent accumulation of damages, and that a suitor who, like present complainant, defers the enforcement of his rights until a few days before the expiration of his patent, is not entitled to consideration because of the magnitude of damages which his own *laches* has contributed to accumulate.

It is far from impossible that Congress, by refusing to except from the restriction of this act "patent causes" (see pp. 9–10 *ante*), and by extending it to "any person," may have actually intended (however unwisely) to afford to non-resident aliens, unacquainted with our local laws, unfavorably situated for receiving actual or constructive notice of our patents and copyrights, some protection as against patentees who, like the complainant, stand by and refrain from suit until the last day on which the unwarned foreigner can continue adding to his damages.

But such inquiry into the motive of Congress is out of place; however ill-advised this exclusion of alien corporations, from jurisdiction, the act must stand for that only which the plain unin-

terpolated English of its language means, and the remedy for any resultant undesirable effect must be sought from Congress—not here.

> "Our duty is to give effect to the will of the law-making "power when expressed within the limit of the Constitution. "With the policy of this act we have nothing to do."
>
> Barney *vs.* Latham, 103 U. S., 212.

> "Judicial duty is not less fitly performed by declining un- "granted jurisdiction than in exercising freely that which "the Constitution and the laws confer."
>
> *Ex Parte* McCardle, 7 Wall., 518.

POINT FIFTH.

Should this Court hold that the Act of 1887 does not exempt alien corporations from the jurisdiction of the Circuit Courts in Patent Suits, nevertheless the order complained of was proper.

The record herein demonstrates that the pretended service of process upon the defendant corporation would have been insufficient to confer jurisdiction prior to the passage of the act in question.

The appearance herein of the defendant corporation must be taken to have been specially made for the sole purpose of moving to set aside the service of the Court's mandate. (See Point Third hereof.) The return of service of the writ, made by the Marshal of the Southern District of New York, certifies as follows:

> "Within my district * * * I personally served the

"within subpœna in equity upon the within named defend-
"ant, Hamburg-American Packet Company, by exhibiting
"to Henry R. Kunhardt, Sr., general agent for said com-
"pany, the within original, &c." (Ap. Rec., 2.)

The bill of complaint on which this subpœna was issued, makes no allegation or even suggestion of any kind that said Henry R. Kunhardt, Sr., was at any time such agent, or was ever connected in any way with the defendant corporation, or any of the other defendants (Ap. Rec., 3, 10). He is not even alleged to have jointly infringed (Ap. Rec., 6). The amended bill, filed after said service, alleged that Henry R. Kunhardt, Sr., was a copartner with the other natural person defendants, and that they, "as "such copartners, are and were *the agents* and man-"agers of the business of the company in this "country, and have their principal business office "as such located in the City and County of New "York."

But neither the original nor the amended bill constituted any evidence against the defendant of the facts therein alleged. It is elementary that, in the absence of statutory enactment to the contrary (as, for example, New York Code of Civil Procedure, sec. 3343, subdiv. 11), a complaint, though verified, is evidence *only as against the complainant of admissions therein contained*, and even at that, very feeble and inconclusive evidence, since his allegations may be taken to be made merely at the suggestion of counsel. Both bills here, for instance, alleging that certain of the defendants are residents of New Jersey (Ap. Rec., pp. 3, 11), and the amended bill contradictorily stating that all the defendants are inhabitants of New York (Ap. Rec., p. 25).

1 Greenleaf Ev., S. 212, S. 551.
III. Greenleaf Ev., S. 274 and note.

However, even though the bills should be accorded the weight of affidavits, they are plainly inconclusive and insufficient to overcome the facts respecting inhabitancy set forth by the defendant's affidavits. The amended bill merely alleges that the person served was a copartner of the other individual defendants, who, as such copartners, were "the agents" (mere conclusion of law) "and "managers of the business of the defendant cor- "poration in this country" (Ap. Rec., p. 25).

It is also well settled that an answer, which is responsive to the allegations and charges made in the bill, must prevail unless it is overcome by the testimony of two witnesses (or its equivalent) to the substantial facts (Greenleaf Ev., S. 289 and note). Similar advantage should, under the circumstances, be accorded to defendant's affidavits as opposed to the statement of a mere bill.

On defendant corporation's motion to set aside service of process, it duly proved by affidavit that:

> "It never had an office in the City of New York, or at any "place within the Southern District of New York."
>
> (Ap. Rec., 29.)
>
> "The actual facts are that the said company has its docks "where all its steamers land and take and discharge cargo, "situated in the State of New Jersey. There also is the office "of the company for the transaction of the matters imme- "diately connected with all its actual industrial operations "in this country.
>
> "Said company advertises that it has an office in the City "of New York, which is the office of the firm of Kunhardt "& Co., and entirely under their control.
>
> "It is, in fact, the office of Kunhardt & Co., agents for the "Hamburg-American Packet Company, and in said office of "Kunhardt & Co., and by Kunhardt & Co., as agents, *the "usual monetary and financial transactions* of said Hamburg- "American Packet Company are conducted. All the actual "physical business of said Hamburg-American Packet Com-

"pany within the United States, however, is conducted "within the State of New Jersey, as aforesaid.

"All operations of loading and unloading the cargo from "said Hamburg-American Packet Company's vessels in this "country are performed in New Jersey, as aforesaid, under "the immediate direction and control of a superintendent "especially employed and appointed by the Hamburg-Amer- "ican Packet Company for that purpose, and whose salary "or compensation is paid by said company, and with the "direction and details of whose supervision of said loading "and unloading the firm of Kunhardt & Co. have no concern "and exercise no control."

(Ap. Rec., 41, 42.)

The statement as to "general" agency contained in the Marshal's return being inconclusive and open to impeachment by affidavit (St. Clair *vs.* Cox, 106 U. S., 350, 359), it was incumbent upon complainant to oppose the motion to dismiss the writ by counter-affidavits sufficient to put these vital facts in issue. Complainant for obvious reasons did not avail himself of this opportunity; his only opposing affidavit was confined to a description of prior proceedings had in the cause, and on which solely he relied to defeat complainant's motion to limit its appearance and dismiss.

Under these circumstances, the allegations of his bill being unproven, and unentitled to any weight as evidence, all the above facts alleged by the defendant corporation must be taken as true and as admitted for the purposes of the motions, and the Circuit Court accordingly found as matter of fact as follows:

"The Hamburg-American Packet Company is incorporated "under the laws of a European government. Its principal "offices and place of business are, and always have been, situ- "ated in the City of Hamburg, Germany, all its directors and "stockholders being residents of the German Empire. The "business of the said company is that of an ocean carrier be- "tween foreign ports and the port of New York. Its finan-

> " cial agents in this country are Kunhardt & Co., and it ad-
> " vertises their office as its office in New York. By Kunhardt
> " & Company, as its agents here, *its usual monetary and finan-*
> " *cial transactions are conducted*, but the piers to which its
> " vessels come are in New Jersey. There it receives and dis-
> " charges cargo, and maintains an office for the transaction of
> " the matters immediately connected with its actual indus-
> " trial operations in this country."
>
> (Ap. Rec. 48, 49.)

Bearing in mind that the only cause of action set up herein is infringement of Letters Patent for an improvement in slings for packages, by making, using and allowing others to use (Ap. Rec. 3, 6, 24), it seems clear that the service of a writ upon a mere fiscal agent was insufficient to confer jurisdiction over the corporation.

The wholesome principle has been recognized by this Court that the agents of a corporation, outside of the territory where it inhabits, shall not be deemed to represent it *except to the extent of their agency*.

> " Serving process on its agents in other States for matters
> " *within the sphere of their agency* is, in effect, serving process
> " on it, as much so as if such agents resided in the State
> " where it was created."
>
> St. Clair *vs.* Cox, 106 U. S., 350, 355, 356.

The same doctrine has been frequently applied and the grounds therefor well expressed by other Courts, see particularly:

> Banknight *vs.* Liverpool, &c., Ins. Co., 55 Ga., 194, 196.
>
> Parke *vs.* Commonwealth, 44 Pa. St., 422.

The Laws of the State of New York do not, under the circumstances of service here, assist to

extend the jurisdiction over this alien corporation. There is not involved here, as in *ex parte* Schollenberger, 96 U. S., 369, and Railroad Co. *vs.* Harris, 12 Wall., 65, an implied assent by the corporation to submit to the jurisdiction, arising from terms imposed by some statute as conditions upon the privilege of doing business within the State. The Law of New York merely provides that service upon a foreign corporation *must* be made, 1st, upon an officer, or, 2d, upon a person specially designated, or, 3d, if neither such officer or person

> "can be found with due diligence, and the corporation has "property within the State, or the cause of action arose "therein, upon the cashier, a director, or a managing agent "of the corporation within the State."
>
> N. Y. Code of Civil Procedure, § 432.

The service of the subpœna upon Henry Kunhardt, Sr., does not, upon the proof made before the Circuit Judge, satisfy any of these requirements. On the defendant's motion to quash the service upon the facts set forth in its affidavit, it was incumbent upon the complainant, his bill being no evidence, to adduce counter proof of facts sufficient to confer jurisdiction. This, complainant was apparently unable to do in the Circuit Court, and his petition here should be disregarded, in so far as it adds new matter to what was presented there, both because it seems improper to mandamus judges upon new facts which they have not been accorded opportunity to weigh, and particularly because the petition herein is not verified by the petitioner, but only upon "the knowledge, information and belief" of his solicitor (Pet., p. 8). Therefore, in this case, both this Court, as well as the Circuit Court, can look only to the affidavits on the motion to quash the service. From these,

it neither appears that no designation was in force of a person upon whom such service might be made, nor that such person, nor an officer could not be found with diligence, nor that the corporation had property within the State, nor that the cause of action arose therein. On the contrary, however, it uncontradictedly appears, that the corporation never had an office within the Southern District of New York, that Kunhardt & Company are merely special agents to conduct financial transactions, that *all* the actual industrial operations of the company are conducted in New Jersey, where it owns its docks and where *all* its steamers land and discharge cargo, under the immediate direction and control of a superintendent especially employed for that purpose by the company, and with the direction and details of whose supervision of said loading and unloading Kunhardt & Co. have no concern and exercise no control (Ap. Rec. 29, 41, 42). From these facts, regard being had to the nature of the patented improvements alleged to be infringed, it follows that the pretended cause of action against this company did not arise within the State of New York, and that the petitioner does not make out a case of service such as to confer jurisdiction against this foreign corporation.

To hold the service herein to be sufficient would result in the manifest hardship of rendering every alien carrier corporation liable to suit in any District in the United States in which one of its financial, or "ticket agents," could be found, and this on causes of action arising out of infringement of patents by other agents in other districts; that is to

say, the present suit for infringement in New Jersey might have been commenced by service of the writ upon the defendant's financial agents in California as well as here.

One of the manifest objects of the act of 1887 was to preclude the possibility of such oppressive suits.

The opposition of the defendant corporation to the mandamus sought arises much more from its anxiety to prevent a precedent for such litigations than from any unwillingness to defend on the merits against petitioner's patent. The company can be served with process at any time through its superintendent in New Jersey, and stands ready to respond there for infringements of patents, if any, committed in that district. It objects to suits against it for those infringements in every district of the United States in which can be found one of its bankers.

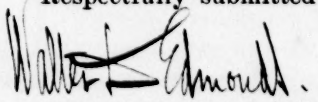
Should the petitioner contend against determining, upon affidavits, either the district in which the defendant corporation is amenable to process, or the character of the agency of the person served with the writ, the answer is twofold: first, there is no issue of fact relating to these questions left to try, the facts being admitted by the complainant's neglect or inability to traverse or qualify them by counter-affidavits; second, these questions as to jurisdiction cannot be raised after defendant has pleaded to the merits, but must be determined preliminarily, if ever, and, therefore, necsesarily upon

affidavits, or upon proofs taken, for that purpose specifically, on reference to a Master.

FINALLY.

This application for mandamus should be denied.

Respectfully submitted by



Of Counsel for the Hamburg-
American Packet Company.